

Message Text

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PAGE 01 HALIFA 00405 031711Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /140 W
-----077894 040919Z /15

R 031535Z AUG 78
FM AMCONSUL HALIFAX
TO SECSTATE WASHDC 2287
INFO AMEMBASSY OTTAWA

UNCLAS HALIFAX 0405

E O 11652: N/A
TAGS: ENRG CA
SUBJECT: NOVA SCOTIA POWER RATES TO RISE AGAIN

1. NOVA SCOTIANS ARE REELING FROM POWER RATE INCREASES OF FROM 16 TO 18 PERCENT WHICH WERE APPROVED AUG 2 BY PROVINCIAL PUBLIC UTILITIES BOARD. THE RATE INCREASES FOLLOW A 47 PERCENT RATE JUMP ALLOWED BY THE P.U.B. IN APR 1977.

2. THE RATES APPROVED ALLOW FOR A DOMESTIC BASE RATE OF CDOLS 4.40 MONTHLY, 4.75 CENTS PER KWH FOR THE FIRST 200 KWH, 4.27 CENTS PER KWH FOR THE NEXT 500 KWH, AND 4.15 CENTS PER KWH FOR ADDITIONAL CONSUMPTION.

3. INDUSTRIAL CUSTOMERS WILL HAVE NEW DEMAND CHARGES PER MONTH OF CDOLS 3.00 PER KILOVOLT AMPERE OF MAXIMUM DEMAND (UP TO 249 KVA), CDOLS 4.21 PER KVA OF MAXIMUM DEMAND OF THE CURRENT OR PREVIOUS 11 MONTHS (250 KVA TO 3999 KVA), AND CDOLS 4.05 PER KVA OF MAXIMUM DEMAND OF THE CURRENT OR PREVIOUS 11 MONTHS (:000 KVA AND OVER).

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4. IN ITS MAY 29 APPLICATION TO THE P.U.B., THE NOVA SCOTIA POWER CORPORATION HAD ASKED FOR AN ACROSS-THE-BOARD 25 PERCENT INCREASE IN RATES TO ALL CLASSES OF CUSTOMERS. PREMIER REGAN AT THAT TIME TERMED THE REQUESTED INCREASE IN RATES AS "IMPOSSIBLE" BUT NSPC PRESIDENT L.F. KIRKPATRICK SAID A RATE RISE OF THAT MAGNITUDE WAS NECESSARY IN ORDER TO RAISE CDOLS 34 MILLION TO

MEET INCREASED OPERATING COSTS. NEITHER MAN WAS MADE HAPPY BY THE 16-TO-18 PERCENT RISE SETTLED ON BY THE P.U.B., REGAN CALLING IT "UNACCEPTABLE" TO THE GOVT OF NOVA SCOTIA (AND HINTING AT A POSSIBLE PROVINCIAL SUBSIDY TO EASE THE BURDEN) AND KIRKPATRICK SAYING HE WAS "DISTRESSED" THAT THE INCREASE WAS ONLY ABOUT TWO-THIRDS OF WHAT WAS REQUESTED.

5. COMMENT: CRITICS OF THE REGAN ADMINISTRATION SEE THE RECENT POWER RATE INCREASES AS CHICKENS COMING HOME TO ROOST. THEY SAY THAT THE NOVA SCOTIA LIGHT AND POWER COMPANY (NSPC S PREDECESSOR) WAS PREPARING TO ASK FOR A RATE INCREASE BACK IN 1971 WHEN THE REGAN GOVT MOVED TO TAKE IT OVER. NATURALLY NO RATE INCREASES COULD BE PERMITTED IMMEDIATELY FOLLOWING SUCH A CONTROVERSIAL DECISION. A RATE INCREASE WAS SURELY IN ORDER BY 1973 WHEN OIL PRICES STARTED SKYROCKETING, BUT WITH THE LIGHT AND POWER TAKEOVER STILL FRESH IN THE PUBLIC S MIND AND AN ELECTION IN THE OFFING, IT WAS POSTPONED. A REGAN CAMPAIGN PROMISE TO THE ELECTORATE THAT POWER RATES WOULD NOT RISE DURING 1974 STYMIED AN INCREASE IN THAT YEAR. RATE RISES REALLY ONLY HAVE COME SINCE 1975. AND THOUGH THEY HAVE SEEMED TO CONSUMERS TO BE WHOPPING RISES, THEY HAVE BEEN SUBSTANTIALLY LESS THAN WHAT THE NSPC CLAIMS IT NEEDS. THE CORPORATION, IN EFFECT, IS PLAYING

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A CATCH-UP BALLGAME BUT IS FINDING ITSELF GETTING FURTHER AND FURTHER BEHIND. ITS DEFICITS ARE MOUNTING TO THE POINT WHERE ITS CREDIT--AND THE PROVINCE S--ARE IN JEOPARDY. PROVINCIAL SUBSIDIES TO CONSUMERS MAY TAKE SOME OF THE HEAT OFF THE REGAN ADMINISTRATION IN THESE COUNT-DOWN WEEKS BEFORE THE EXPECTED PROVINCIAL ELECTION IN THE AUTUMN BUT THEY WILL ONLY POSTPONE THE INEVITABLE DAY OF RECKONING. END COMMENT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ELECTRIC POWER PLANTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978HALIFA00405
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780320-1052
Format: TEL
From: HALIFAX
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808103/aaaaditp.tel
Line Count: 103
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7d1d0358-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1551171
Secure: OPEN
Status: NATIVE
Subject: NOVA SCOTIA POWER RATES TO RISE AGAIN
TAGS: ENRG, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/7d1d0358-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014